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WA's Battle for Mining Talent

Research into the decision-making of workers and their partners

2020 RESULTS







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Foreword: the importance of valuing your workers

Attraction and retention of good workers is critical to the mining industry, where working conditions and rosters impact the employee experience, and recruitment is resource intensive as a result of onboarding costs, medicals and stringent staff induction processes.

The objective of this research was to capture insights from workers about the working conditions and benefits that make an employer attractive, both during recruitment and over the longer term. We also sought feedback from the partners of workers, who were found to be highly influential in their partners' employment decision-making.

The findings presented provide a starting point for examining your employer value proposition - what benefits you provide to distinguish yourself in an increasingly competitive labour market - and help you to attract, and more importantly, retain the best talent available.

In the face of the evolving COVID-19 pandemic, employers in the mining industry also face new challenges in managing remote workforces. As your organisation responds and adapts, the information within this report will provide a valuable reference for your strategic HR and workforce planning.

SO, WHAT ARE WORKERS IN THE MINING INDUSTRY TELLING US?

An underlying theme throughout the feedback from workers was the importance of feeling valued by their employer.

The research showed that salary is of course important, particularly for workers whose roster takes them away from their families and community. However, workers indicated they place great value on a raft of other non-financial benefits and workplace intangibles.

These included employer-provided benefits that:

- Improved their on-site experience
- Supported work-life balance
- Provided clear opportunities for career advancement

In the context of the COVID-19 pandemic, a thorough understanding of the decision-making of workers may be even more important than ever, although it was not the original context of this research.

It is broadly accepted the pandemic will result in economic and workforce challenges for the mining industry which could necessitate difficult decisions with regard to employment arrangements, including recruitment and retention. We have already seen stand-downs, significant roster changes and some workers unable to return home to family indefinitely due to interstate travel restrictions, quarantine requirements and company policies.

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**FOR WORKERS
CONSIDERING LEAVING
THEIR CURRENT EMPLOYER,
SOCIAL INTANGIBLES WERE
A MORE IMPORTANT FACTOR
IN THEIR DECISION-MAKING
THAN SOME OTHER MORE
TRADITIONAL BENEFITS**

Methodology

CoreData partnered with Clarity Communications and The Resources Hub to launch a WA state-wide research project to identify the employer-provided benefits that can be leveraged to attract and retain mining talent, over and above salary. The research was prompted by the increasing competition for skilled workers resulting from the resurgence of the mining industry in WA.

The evolving COVID-19 pandemic has resulted in a short-term shift in workforce focus highlighting the need for employers to be adaptable and responsive. It is our view the insights in this report can contribute to the “road out” by ensuring long-term employee recruitment and retention strategies consider the conditions and benefits most desired by the workforce.

In our research, we sought to explore and define the key factors that influence workers’ choices when it comes to how and where to work. This research project has scope to be extended in future to focus on the specific needs of the oil and gas industry.

Through this report, we aim to assist mining companies, as well as the companies that contract services to them, to understand, assess and compare three components that influence worker decision making and retention: financial, non-financial, and intangible benefits.

We asked what role partners play in decisions to commence or remain with an employer, and can offer unique insights into how partner perspectives and attitudes affect individual workers and the sector itself.

The insights in this report are based on a total sample of 345 respondents, including 290 responses from workers in the WA mining sector and 55 from partners or spouses of workers in the industry. Responses were collected during December 2019 and January 2020, via an online survey co-designed with industry stakeholders.

In this report, we provide you with insights into the impact of:

- Flexible work environments and opportunities
- Leave entitlements
- Residential community amenities
- Fly-in-fly-out (FIFO) rosters and preferences
- On-site amenities
- Worker wellbeing; and
- Other workplace benefits including superannuation, STIP and income protection

Executive Summary

Our research showed workers in the mining industry want to feel valued.

The following insights break down the key focus areas for employers seeking to boost employee morale and attract and retain high quality talent in an increasingly competitive market.

When it comes to living and accommodation, workers aren't seeking luxury. Comfort and common amenities are most valued.

A comfortable bed (identified by 86.0%), black-out curtains (79.6%), and soundproofing (78.1%), are crucial for proper rest and recovery and considered important by most workers. Access to Wi-Fi (71.2%) is also important to the majority.

In terms of dining and nutrition, the majority of workers value access to healthy options in the dry mess (78.5%) and a shop for purchasing food and other essentials (73.7%). While 91.7% of workers reported they had access to a shop, only half (54.7%) claimed to have access to the healthy food options they desired.

Supportive, family-friendly policies are important for workers trying to balance the emotional and social cost of FIFO with the payoff for them, or their families.

Financial support for families is a key motivator for opting to work FIFO¹, State Government research has shown. Our research suggests there is an untold cost to FIFO work, as those same workers feel disconnected from their partners and/or children and hold pessimistic views on the impact of FIFO work on family life. Adopting family-friendly policies, including even-time rosters and the opportunity to work flexibly and/or remotely (where possible), ensures workers retain vital social connections and recognise their workplace as an organisation of choice when it comes to supporting a family.

Traditional financial incentives, beyond base salary, continue to appeal.

The financial benefits offered by an organisation remain a deciding factor for many when it comes to choosing or remaining with an employer. Almost half of workers have a modest understanding, or no understanding at all of their additional financial benefits (49.2%). Ensuring all workers have a comprehensive knowledge of their entitlements could have significant payoffs.

¹ Mental health commission 2018 <https://www.mhc.wa.gov.au/media/2547/impact-of-fifo-work-arrangement-on-the-mental-health-and-wellbeing-of-fifo-workers-full-report.pdf>

Non-financial benefits are important for enabling the work-life balance workers value.

Many workers want the opportunity to take advantage of varied work arrangements in order to maintain their well-being. Arrangements including time off in lieu (TOIL), rostered days off (RDOs), travel on company time and progressive parental leave policies empower workers to take the down time they need.

Opportunities for professional development and career advancement will foster a skilled workforce that knows its value to the employer.

For a considerable proportion of workers, an employer who invests in their skill development and provides clear career advancement pathways is important. This can result in worker loyalty, increasing expertise of the organisation's workforce, and a reduced need to compete for candidates from the smaller pool of experienced, senior workers.

What are employers offering to retain their workers?

On-site accommodation

More than eight in 10 FIFO and DIDO workers have at least one of the most common on-site accommodation features including: air conditioning, a bar fridge, TV, private room and private ensuite.

Facilities

More than nine in 10 FIFO and DIDO workers have access to at least one of the most common facilities including: a communal laundry, gym, shops and a wet mess.

Financial incentives

Two in five workers (38.0%) say they are not offered any of the additional financial incentives covered in our research. A third say they are offered company shares (34.6%) or productivity bonuses (32.3%), while fewer claim to have access to short-term incentive plans (25.1%) and annual bonuses (22.1%). Given many workers acknowledge their limited understanding of what's on offer, these figures could be understating the reality.

Non-financial incentives

Most workers are provided an EAP program (73.0%) but there was low availability across workplaces for mental health support (54.8%) and well-being programs (38.8%). EAPs are far less commonly available to those working for contract service providers (56.6%) than mining company workers (85.6%).

Career development opportunities

A minority of respondents reported access to development/training (35.0%), mentoring/coaching (21.7%) and clear career advancement pathways (19.0%).

Rosters and work-life balance

Approximately one in three workers report having access to even-time rosters (36.5%), but less than a quarter are able to choose or change their rosters (22.1%). Flexible work arrangements (19.8%), flextime (18.6%) and remote working options (14.8%) are also uncommon among the mining workforce.

Travel and leave

More than two in five workers are afforded the benefit of travelling on company time (44.5%), although fewer say they are provided RDOs (30.8%) and TOIL (39.2%) as compensation when they work additional hours. Almost a third of workers report being provided study/training leave (31.2%), with short-term unpaid leave (28.5%) and extra paid leave (14.1%) less common.